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IN THE

Supreme Court of the United States

OCTOBER TERM, [redacted] 1969

No. [redacted] 126

WATSCO, INC.,
Petitioner,

vs.

HENRY VALVE COMPANY,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968.

No. 1405.

WATSCO, INC.,

Petitioner,

vs.

HENRY VALVE COMPANY,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT.

Respondent submits that a writ of certiorari should not be issued for the purpose of reviewing the judgment of the United States Court of Appeals for the Second Circuit in its case No. 32160.

REASONS FOR DENYING THE WRIT.

I. There Is No Conflict Between The Circuits With Regard To The Construction Of The Prior Art Notice Statute (35 U. S. C. 282) In Patent Infringement Litigation.

There are numerous decisions by district courts and courts of appeal concerning the construction and application of the prior art notice statute, 35 U. S. C. 282, and its

predecessor. A complete study of these numerous decisions will establish the fact that, since the 1800's, the courts have never called upon a defendant to do more than serve notice in writing on the plaintiff, such notice specifically identifying each prior art patent and nothing more. In some decisions no notice concerning prior art patents of which the plaintiff was known to have previous knowledge was required. See *Edward Valves Inc.* v. *Cameron Iron Works, Inc.*, 286 F. 2d 933, 948, 949 (5 Cir. 1961), modified 289 F. 2d 355, cert. denied 368 U. S. 833 (1961). In still other decisions, no notice in writing for the purpose of identifying witnesses testifying to "show the state of the art" has been required. See *Gary Pools, Inc.* v. *Associated Pools, Inc.*, 340 F. 2d 585, 587 (5 Cir. 1965).

Petitioner now presumably attempts to impress upon this Court that, for the first time, this statutory provision should be more strictly construed and applied so as to not only require notice in writing in the form of identification alone of prior art patents, but also require a specific statement with regard to each prior art patent so identified of the specific defense, i.e., "anticipation" or "state of the art", which defendant considers such patent to support. The statutory provision in question does not state the requirement now urged by petitioner, nor has any court, to respondent's knowledge, placed such a construction on this provision. In other words, what petitioner now seeks is not a requirement expressly stated by Congress or urged by the courts.

It is clear that 35 U. S. C. 282 places substantial discretion with the court, and the primary question is what would be fair under the particular circumstances facing a court in a particular case. See *Stiffel Co.* v. *Sears, Roebuck and Co.*, 313 F. 2d 115, 116, 117 (7 Cir. 1963), rev'd on other grounds 376 U. S. 225 (1964). The facts in the instant case establish that, not only was petitioner sup-

plied with complete notice of the two patents complained of, but also petitioner did not object to the admission of such patents into evidence. Thus, both the trial court and the court of appeals did not at any time ever have an opportunity to "abuse" the broad discretionary powers expressly provided for by Congress in 35 U. S. C. 282.

The record of this case will show that prior to trial and in accordance with Rule 16 of the Federal Rules of Civil Procedure, as well as the local rules of the District Court for the Southern District of New York, respondent filed in the district court and served on petitioner its pre-trial memorandum which listed therein the U. S. Hunter patent No. 2,660,192 and the British Dyer patent No. 505,046. Still further, the district court entered a pre-trial order which also specifically listed the aforesaid patents under an appropriate heading stating that respondent would offer such patents as exhibits during the forthcoming trial. Additionally, the particular patents in question were file wrapper references during prosecution of the application maturing as the patent in suit, and the attorney handling such prosecution has continuously represented petitioner throughout the entire litigation in question.

It is inconceivable under the foregoing circumstances that any court would seriously consider petitioner's contention that it was not provided with proper notice of these patents under the provisions of 35 U. S. C. 282. Probably the most important purpose of Rule 16 of the Federal Rules of Civil Procedure is that of notice. It is well stated that the proper time to advise a plaintiff of prior art to be relied upon is at the time of the pre-trial conference. See *Rota-Carb Corp.* v. *Frye Mfg. Co.*, 197 F. Supp. 54, 60 (D. C. S. D. Iowa, 1961), aff'd 313 F. 2d 443 (8 Cir. 1963).

Petitioner contends that the decision on appeal is in conflict with *Thermo King Corporation* v. *White's Trucking*

Service, Inc., 292 F. 2d 668 (5 Cir. 1961). In the aforementioned decision, the prior art was not listed in the defendant's answer and no written notice of any kind was given at any time prior to trial. On the first day of the trial the prior art patents were then listed in a notice under 35 U. S. C. 282. The district court first refused to admit the patents but did subsequently admit the same during the trial. The court of appeals reversed the district court on the basis that the notice was insufficient, but for the purpose of fairness, and certainly within the broad discretionary power granted by 35 U. S. C. 282, ordered a new trial.

The foregoing *Thermo King* decision is not in any respect in conflict with the decision on appeal. As stated above, petitioner had full knowledge and notice of the particular patents in question at least as early as the pre-trial order which was entered by the district court on or about September 16, 1966, more than one year prior to the trial which occurred on December 14, 1967. Also as stated above, the patents questioned were admitted in evidence at the trial without objection (DA 78, 79). Obviously, even under the greatest stretch of imagination, there is no conflict between the decisions in question.

Petifioner also urges, presumably as a reason for granting of its petition, that the particular question which it raises "has never been decided by the Supreme Court". The fact that the provisions of 35 U. S. C. 282 and its predecessor enactment have been in existence for more than one-half of a century, have been followed and complied with in every patent case during this extensive period of time and have been repeatedly and extensively applied by numerous courts without the necessity of intercession by this court, clearly establishes that the statutory provisions have been uniformly construed and applied without unfairness or abuse. There is no compelling reason why this

Court should find it appropriate at this time to attempt to resolve an alleged issue which in fact does not exist. Obviously, this Court is concerned with an extraordinary number of real issues and cannot be expected to assume an additional burden of a non-existent controversy just because "this question has never been decided by the Supreme Court" as advanced by petitioner.

II. Validity Of A Patent Is A Question Of Law And The "Clearly Erroneous" Rule Does Not Apply.

Another question raised by petitioner is whether the "clearly erroneous" rule, as set forth in Rule 52a of the Federal Rules of Civil Procedure, applies in the subject case. It is so well established as to not require citation of authority that this rule does not apply to questions of law. This Court has also stated unequivocally in *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U. S. 147, 71 S. Ct. 127 (1950), that validity is a question of law. It is submitted that the foregoing decision of this Court is the controlling decision with regard to the specific question raised by petitioner.

In the subject case the district court presumably considered the prior art and then reached the conclusion that such prior art was insufficient to establish the alleged obviousness of the invention. The court of appeals studied the same prior art and reached a different conclusion. Accordingly, the court of appeals in reversing the district court concluded, as a matter of law, that the district court had not applied the proper standard of invention. Such an event is commonplace in patent litigation, and does no violence to any established legal concept. Such is in full accord with the leading case in the Second Circuit, *Orvis* v. *Higgins*, 180 F. 2d 537 (1950), cert. denied. 340 U. S. 810, which, in stating that where the crucial issue is based

on documents the reviewing court is as competent as the trial court to resolve the issue, bases its authority on the decision of this court in *United States* v. *United States Gypsum Co.*, 333 U. S. 364, 68 S. Ct. 525 (1948).

III. A More Specific Construction Of The Patentability Statute (35 U. S. C. 103) Would Not Be Helpful To The Courts.

Petitioner urges a more specific construction of the statutory provision covering the obviousness test, 35 U. S. C. 103, and in doing so suggests that this Court adopt a particular standard or test which petitioner considers especially favorable to its case. Before considering petitioner's specific suggestion, it must be emphasized that the definition of "patentabiliy" or "invention" as set out by Congress has always consisted solely of a number of negative tests or standards. In other words, if a particular discovery does not fall within one of the several categories precluding patentability or invention as set out by Congress, then it is possible that such discovery is entitled to patent protection.

Regardless of the number of standards or tests enacted by Congress, or found to be implicit by the courts in the current statutory provisions, there still remains, and there always will remain, infinite areas in which a court must reach its own unequivocal conclusion under its own powers of reasoning and at its own discretion. Such is unquestionably true of the new standard or test now advocated by petitioner.

In short, petitioner proposes that the prior art relied upon must be capable of performing the functions of the alleged invention. Petitioner does not suggest, nor even consider, whether this new standard or test should be flexible in any respect, i.e., whether the additional question should be raised concerning the prior art teaching "sub-

stantially" all of the "material" functions of the alleged invention, etc. Accordingly, petitioner's suggestion does not reduce the infinite areas in which a court finds it necessary to reach its own conclusion, but is merely at the most reshaping such infinite areas by bombarding the same with more meaningless verbiage.

The sub-tests set out by this Court in *Graham* v. *John Deere Co.*, 383 U. S. 1, 86 S. Ct. 684 (1966) were designated as mere guidelines that may or may not be helpful to a court in a given case. Petitioner now presumably proposes a further sub-test or guideline which only can be construed as being "tailor-made" for petitioner's position, particularly when it is apparent that petitioner makes no attempt to show that a general application of this sub-test or guideline would be consistent with Congressional intent, not inconsistent with the public interest and not unduly restrictive to the judicial and discretionary functions of the courts.

CONCLUSION.

Adjudication of the three questions presented by petitioner would serve no substantive purpose. The first question presented by petitioner is not based on any existing or real controversy but amounts to nothing more than an excursion into legal theory. The second question presented by petitioner is clearly not applicable to the present case. The third question presented by petitioner presents no solution of any value whatsoever. Therefore, it is respectfully urged that the petition be denied.

Respectfully submitted,

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